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TO RUEHC/SECSTATE WASHDC IMMEDIATE 6843
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SUBJECT: TAJIK PRESIDENT'S OFFICE UNDERTAKES TO ANSWER U/S SHINER'S LETTER ADVOCATING RESOLUTION OF THE GERALD METALS COMMERCIAL DISPUTE

REF: WALTERS-HOAGLAND E-MAIL DTD 02-28-06

- 11. (U) Sensitive but unclassified. Not for public Internet.
- 12. (SBU) During a March 1 meeting with Presidential Foreign Policy Adviser Erkin Rahmatulloyev, the Ambassador asked when Under Secretary Shiner can expect a reply to her December 2005 letter to President Rahmonov advocating resolution of the Gerald Metals commercial dispute with the Tajik Aluminum Plant (TadAZ). To our surprise, Rahmatulloyev stood up, went to his in-box, and fished out a thick file. Enunciating precisely, as he does when dealing with a serious issue, he said he has been personally involved with this case, even though trade and commercial issues are not his portfolio, since the Shiner letter was delivered to the President's office December 19.
- 13. (SBU) Initially, Rahmatulloyev said that the issue has unfortunately acquired an "unnecessary emphasis" in the bilateral relationship, and that a "commercial-economic" dispute should not become political. Without notes, he reviewed the recent judicial history of the dispute and noted that Gerald Metals has not yet exercised its right to appeal the most recent decision by the Higher Economic Court of Tajikistan, implying that the ball is currently in Gerald Metals' court. He noted the Tajik government's touch of heartburn at "hints" in letters from U.S. senators about the case that Tajikistan's judicial system is biased.
- 14. (SBU) Rahmatulloyev passed a thick file of recent court documents on the case to the Ambassador and asked him to study them closely, because the Higher Economic Court had made its most recent decision "in accordance with our law as it now exists." He then added, "It is our view that both sides should come to a compromise. The President's sincere desire is to have a fair settlement. We are ready for further contact on this issue "
- 15. (SBU) Rahmatulloyev admitted that TadAZ's management has seen "upheaval in recent years," and, without elaborating, that there had previously been "lots of illegal interference in its affairs."
- 16. (SBU) Focusing on the point that President Rahmonov wants a "fair settlement," the Ambassador recommended that Rahmatulloyev request a letter from Rahmonov stating that sentiment to Under Secretary Shiner. He suggested it would be wise to have such a

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letter in Washington before Minister of Industry Saidov meets senior officials in the Commerce Department March 22. Rahmatulloyev agreed with this approach and said he would do his best to follow through.